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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

DIA REVIEW COMPLETED

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1 Aug 1967

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Information as of 1600
1 August 1967

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HIGHLIGHTS

Thieu's campaign manager is claiming success in his personal efforts to line up support for Thieu from several political and religious leaders.

I. The Military Situation in South Vietnam:
US Marines began Operation KANGAROO KICK along the coast east of Quang Tri on 1 August (Para. 2). US and South Vietnamese troops participating in Operation CORONADO II have reportedly killed nearly 200 Viet Cong in the Mekong Delta near My Tho (Paras. 3-7).

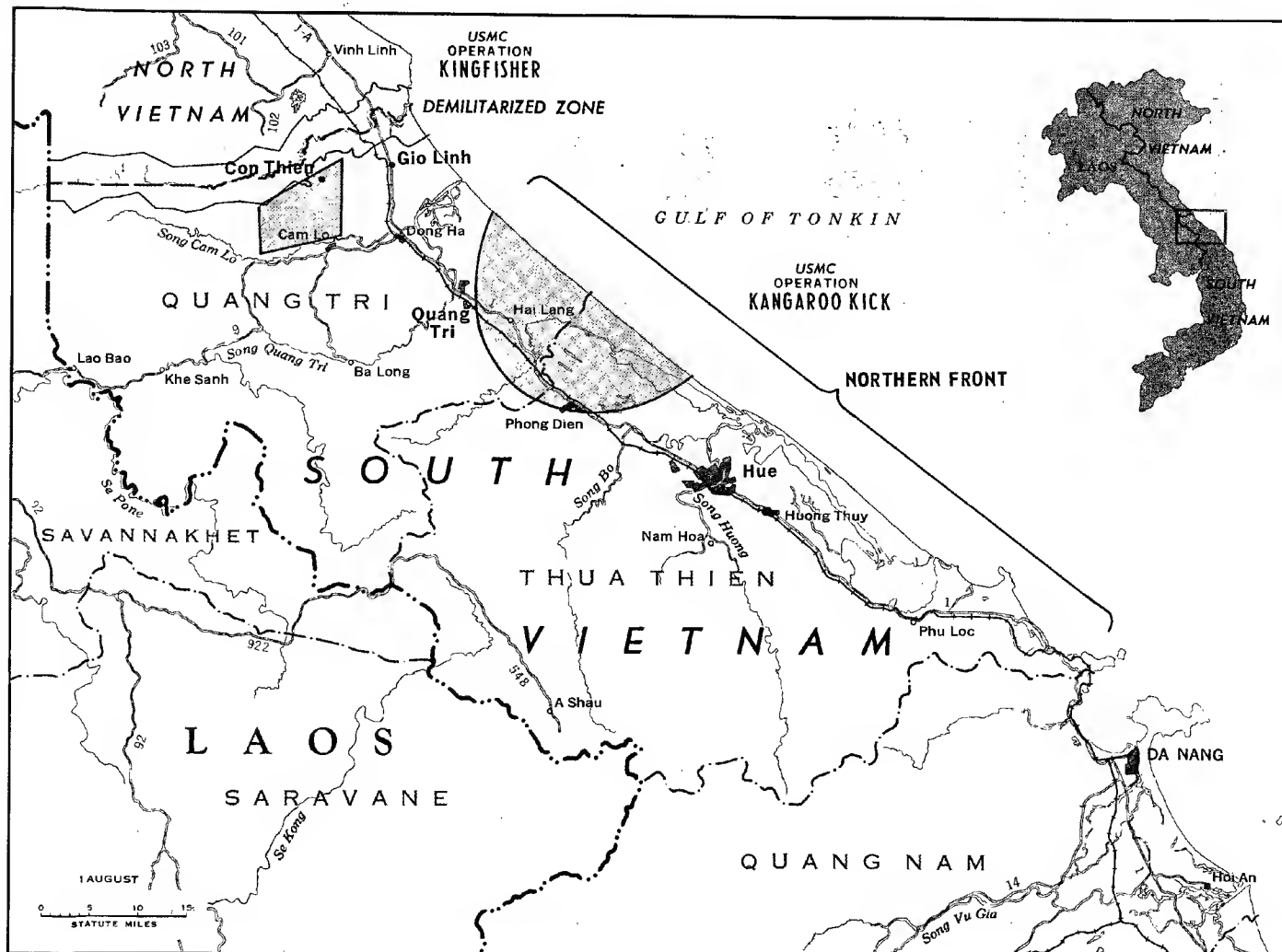
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III. Military Developments in North Vietnam:
There is nothing of significance to report.

IV. Other Communist Military Developments:
There is nothing of significance to report.

V. Communist Political Developments: Hanoi is trying to upgrade and make better use of "bourgeois" elements in management roles (Paras. 1-2).



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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Several small encounters with North Vietnamese Army troops were reported by US Marines taking part in Operation KINGFISHER near the Demilitarized Zone in northeastern Quang Tri Province on 31 July-1 August. Nine Americans were wounded in a 40-round mortar barrage on a Marine command post just south of Con Thien. Air strikes were directed against small groups of enemy soldiers sighted west of Gio Linh.

2. Just to the south, a US Marine battalion began Operation KANGAROO KICK early on 1 August with an amphibious landing along the coast east of Quang Tri city. This search-and-destroy operation is aimed at three North Vietnamese battalions and a Viet Cong battalion, some 1,600 men, believed to be near the coast in southern Quang Tri and northern Thua Thien provinces. No contact with these forces has yet been reported.

Operation CORONADO II

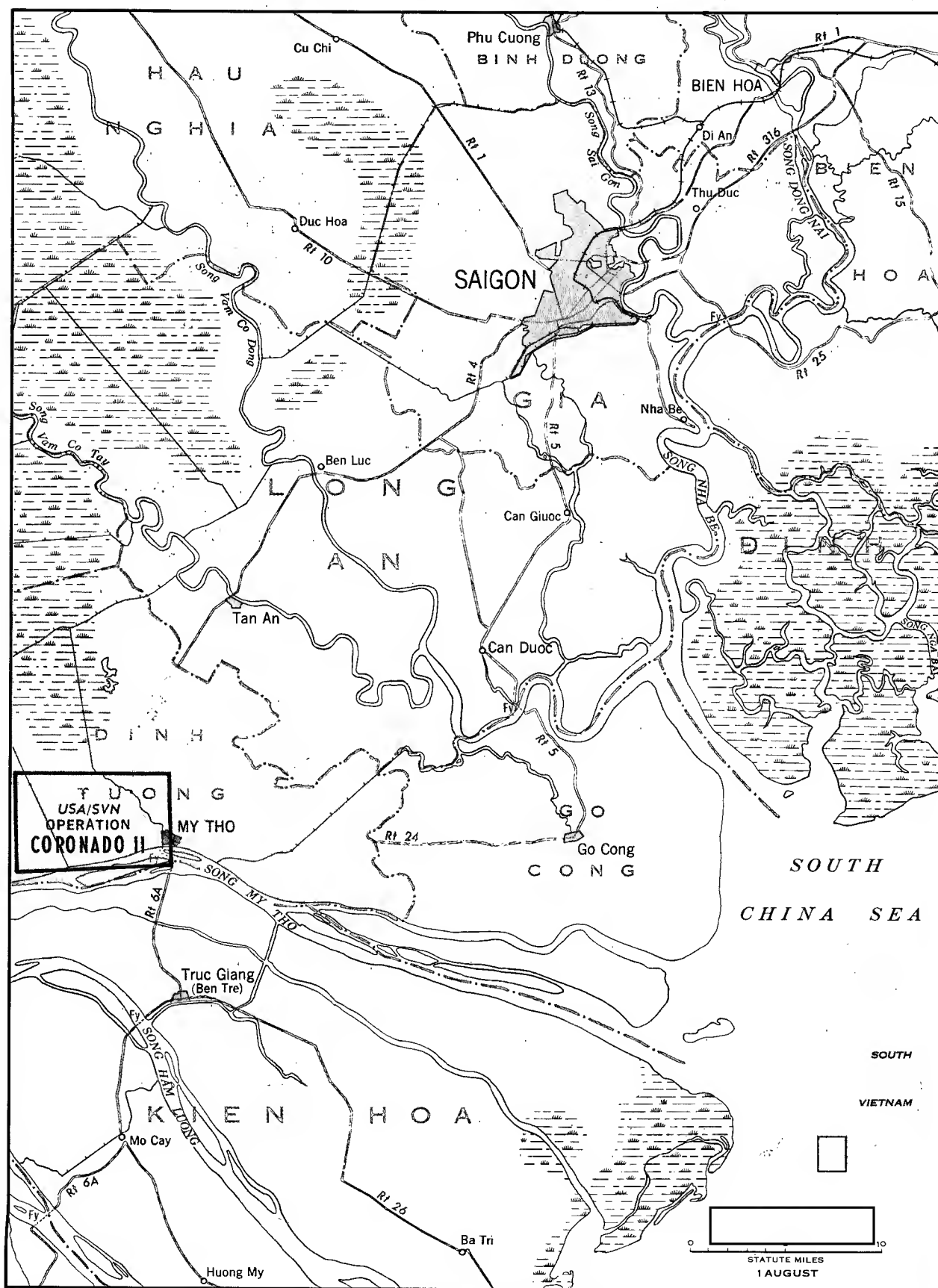
3. Nearly 7,500 US and South Vietnamese troops have combined forces in a massive search-and-destroy operation west of My Tho in the Mekong Delta province of Dinh Tuong. This major sweep operation--CORONADO II--began on 26 July. It follows up a successful eight-week long operation, CORONADO I, in which nearly 500 Viet Cong were killed as against American casualties of 39 killed and 173 wounded.

4. Elements of the US 9th and 25th Infantry divisions, together with South Vietnamese Ranger and Marine units, are seeking out Viet Cong forces which recently intensified their efforts to disrupt traffic on Route 4, the vital supply route between My Tho and Saigon. In the past ten days, enemy mines have reportedly cut the road eight times, causing delays in food deliveries to the capital.

5. As a result of scattered engagements throughout the action area on 1 August, nearly 200

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enemy soldiers have been reported killed. Press reports quote US sources as stating that the enemy death toll already number as many as 350 killed, but confirmation has not yet come in.

6. One of the enemy units involved has been identified as the Viet Cong 263rd Battalion, a subordinate of the Dong Thap 1 Regiment which normally operated in the upper Mekong Delta region. Several other independent Viet Cong battalions were probably involved in the fighting.

7. Allied casualties total 45 killed (eight US) and 152 wounded (32 US) in this latest series of encounters.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. North Vietnam's efforts to make the best possible use of its manpower resources has now apparently resulted in more favorable treatment of the heretofore discriminated against "bourgeois." These individuals, who once filled administrative and technical positions under the French, have not been allowed to occupy positions of responsibility for several years. Instead, the regime has relied upon technicians and administrators trained abroad to make up the shortage in skilled personnel. Now the shortage of skilled manpower has reached the point where it is necessary to use this hitherto despised element of the population.

2. A recent supplement to a 1966 Council of Ministers directive on policy toward the "bourgeois" ordered that "bourgeois" employed in state enterprises be "allotted tasks which are suitable to their capacity," and that they be paid accordingly. By way of incentive, the "bourgeois" are now allowed to buy goods at the same rate as "workers" and to enjoy other social benefits provided by the state. The various agencies concerned with the "bourgeois" were instructed to continue to "educate" this class in the policy of the government and to "welcome their transformation more eagerly in order that they quickly become laborers under the socialist regime."

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